## CITY OF SAN DIEGO M E M O R A N D U M

DATE:

June 18, 2002

TO:

Steve Yates, Business Manager, Special Services Division

FROM:

Stacey Stevenson, Deputy Director, Equal Opportunity Contracting, Office of the

City Manager

SUBJECT:

Exemptions from 1472 Review

I have reviewed the list of 1472 actions that you have submitted for exemption from EOC clearance and concur that the following actions do not require EOC review and approval.

- 1) Existing Maintenance Assessment Districts annual levy approval and approval of the Engineer's Reports; and
- 2) New Maintenance Assessment Districts approval of preliminary Engineer's Report, schedule of public hearing, adopting annual budget, and annual levy approval.

For proper processing of the actions waived, please draw a line through EOCP review and write in "waiver - 6/18/02".

This waiver is effective immediately.

Stacey Stevenson

SS/sfb

cc:

Ted Medina, Deputy Director, Park and Recreation Department

Lori Witzel, Docket Coordinator

Celia Griffin, Acting Supervising Management Analyst

Nora Nugent, Supervising Management Analyst

EOC Contract Compliance Officers

202

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1.	Approving the Ass	essment Engineer	's Reports for each self-	managed Main	tenance	Assessment Distric	et and Property and	f Business Imp	rovement I	District;
2.	Authorizing the lev Business Improven		of assessments within pr iscal Year 2009.	eviously establ	ished sel	f-managed Mainte	nance Assessment	Districts and P	roperty an	đ
3. 4	Authorizing the Au	aditor and Comp	troller to appropriate ar ds for Fiscal Year 2009	nd expend the	self-mar	naged Maintenanc	e Assessment Dis	strict and Prope	erty and	•
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000225

**EXECUTIVE SUMMARY SHEET** 

DATE REPORT ISSUED:

May 19, 2008

ATTENTION:

Council President and City Council

ORIGINATING DEPARTMENT:

City Planning and Community Investment

SUBJECT:

FY 2009 Assessment Levy and Update Assessment Engineer's Reports. 2, 3, 7, 8

COUNCIL DISTRICT(S): STAFF CONTACT:

Luis Ojeda (619-236-6475), Scott Kessler, (619) 236-6421

## **REQUESTED ACTION:**

1. Approving the Assessment Engineer's Reports for each self-managed Maintenance Assessment District and Property and Business Improvement District;

2. Authorizing the levy and collection of assessments within previously established self-managed Maintenance Assessment Districts and Property and Business Improvement District for Fiscal Year 2009.

Authorizing the Auditor and Comptroller to appropriate and expend the self-managed Maintenance Assessment District and Property and Business Improvement District funds for Fiscal Year 2009 for the purpose of enhanced maintenance, landscaping, and lighting services.

# STAFF RECOMMENDATION:

Staff is recommending that the updated Assessment Engineer's Reports and the associated annual levy of assessments be authorized.

### **EXECUTIVE SUMMARY:**

The purpose of self-managed Maintenance Assessment District (MAD) is identical to other MADs in which property owners assess themselves to receive enhanced maintenance, landscaping, and lighting services. Self-managed MADs differ from the City's Park & Recreation Department managed MADs in that district property owners select, by ballot, a non-profit corporation to contract for the provision of enhanced goods and services. The San Diego Municipal Code allows non-profit corporations to administer MADs when an assessment weighted majority of district property owners support the selection of a particular non-profit corporation for their district.

The Fiscal Year 2009 assessments for the City's self-managed Maintenance Assessment Districts (MADs) and Property and Business Improvement District (PBID) are each managed by various local non-profit organizations and are overseen by the Economic Development Division of the City Planning and Community Investment Department. MADs and PBIDs are authorized by law to assess benefiting property owners for maintenance and other property related activities. These activities include maintenance of landscaped and paved medians, landscaped right-of-ways and slopes, open space, parks, ponds, flood control channels, monuments, decorative street lighting, decorative gates, signage, banners, as well as cleaning of curbs and gutters, sweeping sidewalks, provisions of security services, and monitoring.

State law requires that the City Council annually approve the assessment levy for each MAD and PBID and to update each of the districts' Assessment Engineer's Report. The resolutions associated with this action would authorize the City to place the annual assessment levy for each self-managed MAD and PBID on the FY 2009 County Property Tax roll. The resolutions also fulfill the legal requirements necessary for each self-managed MAD and PBID to provide the maintenance and other services as described in the Assessment Engineer's Reports.

The Economic Development Division currently manages eight self-managed MADs and also manages the Downtown PBID. In accordance with state law, staff is recommending that the updated Assessment Engineer's Reports and the associated annual levy of assessments be authorized.

Based on data contained in the updated Assessment Engineer's Reports, the following list provides the recommended assessment levels for each of the eight self-managed MADs and PBID in FY 2009.

000226

District Assessment District Le	
1. Adams Avenue MAD	\$ 50,200
2. Central Commercial MAD	\$ 218,547
3. City Heights MAD	\$ 302,095
4. College Heights MAD	\$ 270,325
5. Greater Golden Hill MAD	\$ 489,012
6. Hillcrest Commercial Core MAD	\$ 89,950
7. Little Italy MAD	\$ 746,266
8. Newport Avenue MAD	\$ 57,101
9. Downtown PBID	\$ 5,969,272
Total	\$ 8,192,768

This action authorizes approval of the Fiscal Year 2009 Assessment Engineer's Reports, and authorizes the levy and collection of assessments for the above MADs and PBID.

## FISCAL CONSIDERATIONS:

This action refines the anticipated assessment revenue estimate for Fiscal Year 2009. The annual MAD and PBID assessment for City owned property for Fiscal Year 2009 is \$355,807.

### PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Each year, the City Council authorizes staff to levy assessments and update the assessment Engineer's Reports. The Fiscal Year 2008 approval was obtained on July 23, 2007, per City Council Resolutions R-302858 and R-302859.

## COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The managing non-profits meet with the property owners within each respective on a continual basis.

## KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are the business community and the property owners within the self-managed districts.

Scoft Kessler

Originating Department

William Anderson, Deputy

Land Use and Economic Development

RESOLUTION NUMBER R	
<del></del>	
DATE OF FINAL PASSAGE	

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE ENGINEER'S REPORTS SUBMITTED IN CONNECTION WITH THE SELF-MANAGED MAINTENANCE ASSESSMENT DISTRICTS FOR FISCAL YEAR 2009.

WHEREAS, pursuant to the Landscape and Lighting Act of 1972 (California Streets and Highways Code section 22500 et seq.), an assessment engineer has prepared and submitted written reports [Reports] on the following Maintenance Assessment Districts:

- 1. Adams Avenue Maintenance Assessment District
- 2. Central Commercial Maintenance Assessment District
- 3. City Heights Maintenance Assessment District
- 4. College Heights Maintenance Assessment District
- 5. Hillcrest Commercial Core Maintenance Assessment District
- 6. Little Italy Maintenance Assessment District
- 7. Newport Avenue Maintenance Assessment District
- 8. Downtown PBID Maintenance Assessment District
- 9. Greater Golden Hill Maintenance Assessment District

WHEREAS, the Reports conform to the above-referenced authorities and have been duly considered by this Council;

WHEREAS, the Reports submitted in connection with the Maintenance Assessment

Districts are filed in the office of the City Clerk as follows:

Main	itenance Assessment District	Document Number
1.	Adams Avenue	RR
2.	Central Commercial	RR

000228

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3.	City Heights	RR
4.	College Heights	RR
5.	Hillcrest Commercial Core	RR
6.	Little Italy	RR
7.	Newport Avenue	RR
8.	Downtown PBID	RR
9.	Greater Golden Hill	RR;
NOV	V, THEREFORE,	·
	BE IT RESOLVED, by the Council of	the City of San Diego, that the Reports submitted
in co	nnection with the Maintenance Assessme	ent Districts and filed in the office of the City Clerk
are h	ereby approved.	
APP.	ROVED: MICHAEL J. AGUIRRE, City	Attorney
By .	Kimberly K. Kaelin Deputy City Attorney	
R-20		
	eby certify that the foregoing Resolution o, at this meeting of	was passed by the Council of the City of San
		ELIZABETH S. MALAND City Clerk
		By Deputy City Clerk
Appr	roved: (date)	JERRY SANDERS, Mayor
Veto	ed:	
	(date)	IERRY CANDERS Mayor

1. Adams Avenue

3. City Heights

2. Central Commercial

_	RESOLUTION NUMBER R
	DATE OF FINAL PASSAGE
	A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO: 1) DECLARING THE INTENT TO LEVY AND COLLECT FISCAL YEAR 2009 ANNUAL ASSESSMENTS ON PREVIOUSLY ESTABLISHED MAINTENANCE ASSESSMENT DISTRICTS AND PROPERTY AND BUSINESS IMPROVEMENT DISTRICT; AND 2) TO AUTHORIZE APPROPRIATION AND EXPENDITURE OF FUNDS THEREFORE.
	WHEREAS, pursuant to the Landscape and Lighting Act of 1972 (California Streets and
Highv	vays Code section 22500 et seq.), an assessment engineer has prepared and submitted
writte	n reports [Reports] on the following Maintenance Assessment Districts [Districts]:
1.	Adams Avenue Maintenance Assessment District
2.	Central Commercial Maintenance Assessment District
3.	City Heights Maintenance Assessment District
4.	College Heights Maintenance Assessment District
5.	Hillcrest Commercial Core Maintenance Assessment District
6.	Little Italy Maintenance Assessment District
7.	Newport Avenue Maintenance Assessment District
8.	Downtown PBID Maintenance Assessment District
9.	Greater Golden Hill Maintenance Assessment District; and
	WHEREAS, pursuant to Resolution number R, the City Council
appro	ved the Reports in connection with each District; and
	WHEREAS, the Reports are on file in the office of the City Clerk as follows:
Maint	tenance Assessment District Document Number

R**R**-

RIR- \_\_\_\_

RR-\_\_\_\_

(R-2008-1149)

000230

4.	College Heights	·RR
5.	Hillcrest Commercial Core	RR
6.	Little Italy	RR
7.	Newport Avenue	RR
8.	Downtown PBID	RR
9	Greater Golden Hill	RR- and

WHEREAS, the general location of each district is designated by its descriptive name of the District, and is more specifically described as all that real property in the City of San Diego included within the exterior boundary lines of the assessment diagrams, excepting therefrom all public streets, roads, alleys, avenues and highways. Such assessment diagrams are included in each Report on file with the office of the City Clerk as described herein, and such diagrams and Reports shall govern for all details as to the extent of boundaries of the Districts; NOW THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Council hereby authorizes the levy and collection of assessments in the City for the fiscal year 2009 pursuant to the provisions of the California Streets and Highways Code sections 22500 et seq. and San Diego. Municipal Code Chapter 6, Article 5, Division 2 [Law] to pay a proscribed portion of the cost of future maintenance of improvements. These improvements are more generally described in the assessment engineers' reports [Reports], submitted in connection with the Maintenance Assessment Districts [Districts] and on file in the office of the City Clerk as described herein.

BE IT FURTHER RESOLVED, that a full description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the District are described in the Reports submitted in connection with the Districts on file in the office of the City Clerk as described herein.

000231 (R-2008-1149)

BE IT FURTHER RESOLVED, that the maintenance and expense of the contemplated maintenance are made chargeable upon the Districts, and the Council declares that certain properties within the Districts receive special benefit from the maintenance of the improvements.

BE IT FURTHER RESOLVED, that those properties within the Districts which receive a special benefit from the maintenance shall be assessed for the total amount of the maintenance costs of the Districts, plus incidental expenses thereto, to be received by the individual parcels of real property within the Districts.

BE IT FURTHER RESOLVED, that City staff may order a portion of the costs of maintenance for City-owned parcels, not to exceed \$355,807 to be paid by the City from appropriate funds.

BE IT FURTHER RESOLVED, the proposed budget for each District is as follows:

<u>Main</u>	tenance Assessment District	<b>Amount</b>
1.	Adams Avenue	\$ 50,200
2.	Central Commercial	\$ 218,547
3.	City Heights	\$ 302,095
4.	College Heights	\$ 270,325
5.	Hillcrest Commercial Core	\$ 89,950
6.	Little Italy	\$ 746,266
7.	Newport Avenue	\$ 57,101
8.	Downtown PBID	\$5,969,272
9.	Greater Golden Hill	\$ 489,012

BE IT FURTHER RESOLVED, that the City Auditor and Comptroller is authorized to appropriate and expend Self Managed Maintenance Assessment District and Property and Business Improvement District funds for Fiscal Year 2009 in an amount not to exceed \$8,192,768.

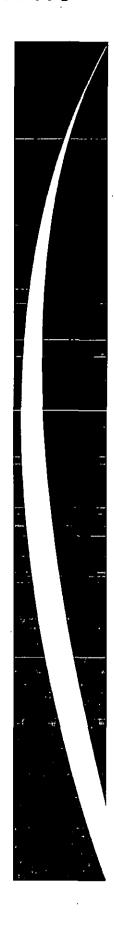
APPROVED: MICHAEL J. AGUIRRE, City Attorney

Kimberly K. Kaelin
Deputy City Attorney

KKK:bas 06/10/08

Or.Dept: CP&CI R-2008-1149. MMS #6380

I hereby certify that the for Diego, at this meeting of	oregoing Resolution was passed by the Council of the City of San
	ELIZABETH S. MALAND City Clerk
	By Deputy City Clerk
Approved:(date)	JERRY SANDERS, Mayor
Vetoed:(date)	JERRY SANDERS, Mayor



# CITY OF SAN DIEGO

ADAMS AVENUE MAINTENANCE ASSESSMENT DISTRICT

# **ENGINEER'S REPORT**

**JUNE 2008** 

PURSUANT TO THE SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT
ORDINANCE OF THE SAN DIEGO MUNICIPAL CODE
AND
LANDSCAPE AND LIGHTING ACT OF 1972 CALIFORNIA STREETS AND HIGHWAY
CODE

ENGINEER OF WORK:

SCICOnsultingGroup

4745 MANGELS BOULEVARD

FAIRFIELD, CALIFORNIA 94534

PHONE 707.430.4300

FAX 707.430.4319

www.sci-cq.com

## **TABLE OF CONTENTS**

SUMMARY	
PROJECT: ADAMS AVENUE MAINTENANCE ASSESSMENT DISTRICT	
INTRODUCTION	3
PLANS & SPECIFICATIONS	5
FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET	7
METHOD OF APPORTIONMENT	8
DISCUSSION OF BENEFIT	
GENERAL VERSUS SPECIAL BENEFIT	
Zones of Benefit	9
ASSESSMENT APPORTIONMENT	10
Assessment	11
GERTIFICATES	13
Appeals and Interpretations	14
ASSESSMENT DIAGRAM	15
Appendices	16
APPENDIX A – ASSESSMENT ROLL FY 2008-09	16

## LIST OF FIGURES

FIGURE 1 - ASSESSMENT SUMMARY	1
FIGURE 2 - ESTIMATE OF COST FOR FISCAL YEAR 2008-09	7
FIGURE 3 - DETAILED ESTIMATE OF COST FOR FISCAL YEAR 2008-09	7
FIGURE 4 - ASSESSMENT DIAGRAM	15

## PROJECT: ADAMS AVENUE MAINTENANCE ASSESSMENT DISTRICT

APPORTIONMENT METHOD: LINEAR FRONTAGE FOOT (LFF)

Figure 1 - Assessment Summary

	FY	FY	FY	Maximum
<del></del>	2006-07	2007-08	2008-09	Authorized
Parcels Assessed:	283	296	303	
Zone 1	23	36	36	
Zone 2	103	103	103	
Zone 3	12	12	12	•
Zone 4	18	18	18	
Zone 5, Subarea A	47	47	47	
Zone 5, Subarea B	24	24	31	
Zone 5, Subarea C	23	23	23	
Zone 5, Subarea D	33	33	33	
Total Parcels Assessed:	283	296	303	
Total Estimated Assessment:			•	
Zono 1	<b>\$</b> 4,518	\$4,518	\$4,518	
Zone 2	\$16,090	\$16,090	\$16,090	
Zone 3	\$5,590	\$5,590	\$5,590	
Zone 4	\$5,600	\$5,600	\$5,600	
Zone 5, Subarea A	\$12,034	\$12,034	\$12,034	
Zone 5, Subarea B	\$1,131	\$1,131	\$1,131	
Zone 5, Subarea C	\$936	\$936	\$936	
Zone 5, Subarea D	\$4,301	\$4,301	\$4,301	
Total Estimated Assessment:	\$50,200	\$50,200	\$50,200	
Total Number of LFF:				
Zone 1	2,054	2.054	2,054	
Zone 2	6,436	6,436	6,436	
Zone 3	559	559	559	
Zone 4	1,120	1,120	1,120	
Zone 5. Subarea A	3,039	3,039	3,039	
Zone 5, Subarea B	1,203	1,203	1,203	
Zone 5, Subarea C	1,200	1,200	1,200	
Zone 5, Subarea D	1,982	1,982	1,982	
Total Number of LFF:	17,593	17,593	17,593	
Assessment per LFF:				•
Zone 1	\$2.20	\$2.20	\$2.20	\$2.20
Zone 2	\$2.50	\$2.50	\$2.50	\$2.50
Zone 3	\$10.00	\$10.00	\$10.00	\$10.00
Zone 4	\$5.00	\$5.00	\$5.00	\$5.00
Zone 5, Subarea A	\$3.96	\$3.96	\$3.96	\$4.40
Zone 5, Subarea B	\$0.94	\$0.94	\$0.94	\$1.04
Zone 5, Subarea C	\$0.78	\$0.78	\$0.78	\$0.87
Zone 5, Subarea D	\$2.17	\$2.17	\$2.17	\$2.41

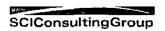
**District History:** 

The District was established in May 1994.

Annual Cost Indexing: Indexing of assessments is not permitted under the current apportionment methodology for all zones except Zone 5. The assessments for Zone /Sub-District #5 may be indexed annually commencing in the fiscal year 2006-07 by the San Diego Area Consumer Price Index (SDCPI-U). The SDCPI-U was 2.28% for 2007. The maximum authorized rates and the assessment rates for fiscal year 2008-09 are listed in the Figure 1 above. The proposed assessment rates for Zone #5 for fiscal year 2008-09 do not include an increase and are less than the maximum authorized rates.

Bonds:

No bonds will be issued in connection with this District



### INTRODUCTION

The Adams Avenue Maintenance Assessment District (the "District") was established as a self-managed District in May 1994 to provide maintenance of street trees and shrubs, sweeping and litter removal along Adams Avenue between 33rd Street and 39th Street and between Terrace Drive and Vista Street. Since this time, the District has primarily funded these services and public improvements along Adams Avenue. Maintenance activities have been administered by the Adams Avenue Business Association (AABA).

The District consists of five (5) zones located along Adams Avenue, described as follows:

- Zone #1: Adams Avenue (from Felton Street to Mansfield Street).
- Zone #2: Adams Avenue (from Mansfield Street to 39th Street and from Terrace Drive to Vista Street).
- Zone #3: Adams Avenue (from 33rd Street to Felton Street).
- Zone #4: Adams Avenue (from the mid-block east of Kansas Street to Interstate 805).
- Zone #5: Adams Avenue (from Arizona Street to the mid-block east of Kansas Street, and from Interstate 805 to 33rd Street) and 30th Street (from Adams Avenue to Monroe Avenue). Sub-District #5 is divided into four (4) sub-districts described as follows:
  - Sub-District A: Adams Avenue (from Arizona Street to the midblock east of Kansas Street).
  - Sub-District B: 30th Street (from Adams Avenue to Madison Avenue).
  - Sub-District C: 30th Street (from Madison Avenue to Monroe Avenue).
  - ◆ Sub-District D: Adams Avenue (from Interstate 805 to 33rd Street).

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments and to determine the benefits received from the maintenance and improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance"), provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

The new assessments in Zone 5 for fiscal year 2008-09 were authorized by an assessment ballot proceeding concluded in the year 2003, so no additional assessment ballot proceeding is required as long as the assessment rates in Zone 5 do not exceed the maximum authorized rates, as adjusted annually by the SDCPI-U.

### PLANS & SPECIFICATIONS

The project to be funded by the proposed assessments is the maintenance of street trees and shrubs, sweeping and litter removal along Adams Avenue. All landscape and lighting improvements to be maintained by the District fall within dedicated City public right-of-way. The engineering drawings for the improvements maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein. The specifications for maintenance to be performed are contained in City contracts on file with the City Clerk and the Park and Recreation Department. The specifications are available for public inspection during normal business hours.

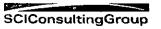
For Zone 5, the project to be funded by the proposed assessments is the maintenance costs associated with street lighting and trees. The improvements (by zone) are as follows:

- Zone A: Approximately 27 single-acorn style decorative street lights and various trees uniformly placed throughout the zone.
- Zone B: approximately 5 double-acorn style decorative street lights.
- Zone C: approximately 5 single-acorn style decorative street lights.
- Zone D: various trees uniformly placed throughout the zone. All improvements to be maintained by Sub-District #5 fall within dedicated City public right-of-way.

The work and improvements proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Ordinance and the Act, the services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to landscaping, sprinkler systems, shrubs and trees, water, street lighting, and labor, materials, supplies, utilities and equipment, as applicable, for property within the District that is found in the public rights-of-way within the proposed District area, and any incidental costs thereto. Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") and are incorporated herein by reference.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including



repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, sidewalk and gutter sweeping, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies, and the cleaning, sandblasting, and painting of walls, and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

## FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

Figure 2 - Estimate of Cost for Fiscal Year 2008-09

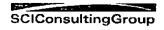
	FY 06-07		FY 07-08	FY 08-09	•
	<u>Budget</u>		Proposed	Proposed	
Positions	0		0		0
Personnel Expe \$	; -	\$	-	\$ -	
Non-Personnel I_\$	102,977.00	\$_	53,199.61	\$ 140,334.0	00
TOTAL \$	102,977.00	\$	53,199.61	\$ 140,334.0	00

The estimates of cost and budgets summarized in this section outline the costs of the services, improvements, maintenance costs and other costs to be funded by the assessments.

Figure 3 - Detailed Estimate of Cost for Fiscal Year 2008-09

•	FY 06-07	F	Y 07-08		FY 08-09
ADAMS AVENUE	BUDGET	E	BUDGET	Р	ROPOSED
Beginning Balance	\$ 49,777.00	\$	-	\$	90,136.00
Revenue					
Assessments	50,200.00		50,200.00		50,200.00
Interest					
Business Improvement District Assessment	3,000.00		3,000.00		3,000.00
TOTAL OPERATING REVENUE	 53,200.00		53,200.00	_	53,200.00
TOTAL REVENUE AND BALANCE	102,977.00		53,200.00		143,336.00
Expense					
Personnel	-		-		•
Contractual	51,877.00		28,289.00		110,005.00
Utilities	6,100.00		2,973.67		4,602.00
Incidentals / Administration <sup>1</sup>	15,000.00		7,312.31		10,975.00
Contingency Reserve	 30,000.00		14,624.62		17,754.00
TOTAL EXPENSE	 102,977.00		53,199.61	_	143,336.00
BALANCE	\$ 	\$	-	\$	•
Assessment Rate per Linear Frontage Foot					
Zone 1	\$2.20		\$2.20		\$2.20
Zone 2	\$2.50		\$2.50		\$2.50
Zone 3	\$10.00		\$10.00		\$10.00
Zone 4	\$5.00		\$5.00		\$5.00
Zone 5, Sub-District A	\$3.96		\$3.96		\$3.96
Zone 5, Sub-District B	\$0.94		\$0.94		\$0.94
Zone 5, Sub-District C	\$0.78		\$0.78		\$0.78
Zone 5, Sub-District D	\$2.17		\$2.17		\$2.17

Notes:



<sup>1.</sup> Includes 4% City Administration Fee

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#### METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits derived from the maintenance, services and improvements provided by the District and the methodology used to apportion the total assessment to properties within the District.

The District boundary is presented in Figure 4. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

#### **DISCUSSION OF BENEFIT**

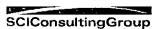
In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's setback landscaping or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the maintenance, services and improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from services and



improvements such as those proposed by the City of San Diego Adams Avenue Maintenance Assessment District. These types of special benefit are summarized as follows:

- Protection of views, scenery and other resources values and environmental benefits enjoyed by residents, customers and guests and preservation of public assets maintained by the District.
- Increased economic opportunity.
- Reduced cost of local government in law enforcement, public health care, and fire prevention.
- Enhanced safety and reduced liability risk.
- Enhanced quality of life and desirability of the area.
- Specific enhancement of property values.

In addition, the Transportation Element of the City's General Plan and the general policy recommendations found in the local Community Plan establish several goals for the community's transportation system. The improvements being maintained by this District are consistent with the plans' goals for public safety and pleasing aesthetics.

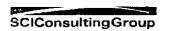
#### GENERAL VERSUS SPECIAL BENEFIT

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (32.7¢ per square foot of landscaped median and 12.39¢ per square foot of hardscape median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These contributions, reviewed and adjusted annually by the City, are considered to be for any "general benefit" allocated to the District. All other maintenance, operations, and administration costs associated with the District, which exceed the City's contribution to the public at large, are accordingly considered to be "special benefit" funded by the District.

#### **ZONES OF BENEFIT**

As previously mentioned, the District is subdivided into five (5) sub-districts (zones) located along Adams Avenue, described as follows:

- Zone #1: Adams Avenue (from Felton Street to Mansfield Street).
- Zone #2: Adams Avenue (from Mansfield Street to 39th Street and from Terrace Drive to Vista Street).
- Zone #3: Adams Avenue (from 33rd Street to Felton Street).
- Zone #4: Adams Avenue (from the mid-block east of Kansas Street to Interstate 805)



• Zone #5: Adams Avenue (from the mid-block east of 30th Street to Arizona Street; from 33rd Street to Interstate 805; and along 30th Street from Monroe Avenue to Adams Avenue).

#### ASSESSMENT APPORTIONMENT

The following discussion of Assessment Apportionment is consistent with previous engineer's reports adopted by the City Council for the District.

It is estimated that the benefit received by each parcel is directly proportional to the linear front footage (LFF) of each parcel fronting the improvement corridors. For each zone, the estimated maintenance cost has been divided by the total LFF within the zone to determine unit assessment rate per LFF.

#### ASSESSMENT

WHEREAS, the City of San Diego, County of San Diego, California, pursuant to the provisions of the Ordinance, the Act and the Article directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Ordinance, Act and Article, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto by the Adams Avenue Maintenance Assessment District for the fiscal year 2008-09 is \$50,200.00.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Adams Avenue Maintenance Assessment District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

Zones 1 through 4 of the Adams Avenue Maintenance Assessment District have no provisions that allow for annual assessment adjustments without such property owner approval via an assessment ballot proceeding. The current maximum authorized assessments established in 1994 are not authorized to be indexed (increased or decreased) without a vote of the affected property owners.

The assessment for Zone 5 is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the San Diego Area for each succeeding year ("SDCPI-U"). The maximum authorized assessment rate is defined as the initial fiscal year 2004-05 assessment for Zone 5 increased by the annual change in the SDCPI-U. In the event that the assessments are levied at a rate below the maximum authorized assessment rate, the assessments can be increased in future years up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Diego for the fiscal year 2008-09. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Rolls, the amount of the assessment for the fiscal year 2008-09 for each parcel or lot of land within the said Adams Avenue Maintenance Assessment District.

Dated:	
Engineer of Work	
	By
	John W. Bliss, License No. C052091

## **CERTIFICATES**

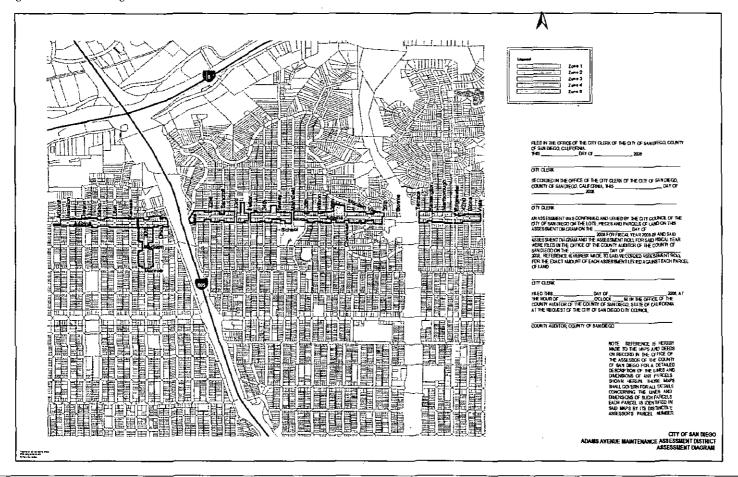
1.	The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of San Diego.
	Engineer of Work, License No. C052091
2.	I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on, 2008.
	Clerk of the City Council
3.	I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on, 2008 by Resolution No
٠	
	Clerk of the City Council
4.	I, the Clerk of the City Council of the City of San Diego, County of San Diego, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of San Diego, California, on, 2008.
	Clerk of the City Council

### **APPEALS AND INTERPRETATIONS**

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Engineer of Work for the PBID or MAD assessments (the "Assessment Engineer"). Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Assessment Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Assessment Engineer or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the City of San Diego or its designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner, who disagrees with the decision of the Assessment Engineer or her or his designee, may refer their appeal to the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") or his or her designee and the decision of the Project Manager shall be final.

The boundaries of the Adams Avenue Maintenance Assessment District are displayed on the following Assessment Diagrams.

Figure 4 - Assessment Diagram

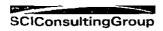


## **APPENDICES**

### APPENDIX A - ASSESSMENT ROLL, FY 2008-09

The Assessment Roll (a listing of all parcels assessed within the Adams Avenue Maintenance Assessment District and the amount of the assessment) will be filed with the Project Manager and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.





# **CITY OF SAN DIEGO**

CENTRAL COMMERCIAL MAINTENANCE ASSESSMENT DISTRICT

# **ENGINEER'S REPORT**

**JUNE 2008** 

PURSUANT TO THE SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT ORDINANCE OF THE SAN DIEGO MUNICIPAL CODE AND

LANDSCAPE AND LIGHTING ACT OF 1972 CALIFORNIA STREETS AND HIGHWAY CODE

ENGINEER OF WORK:

SCICOnsultingGroup

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## **TABLE OF CONTENTS**

SUMMARY	
PROJECT: CENTRAL COMMERCIAL MAINTENANCE ASSESSMENT DISTRICT	1
INTRODUCTION	2
PLANS & SPECIFICATIONS	3
FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET	5
METHOD OF APPORTIONMENT	7
DISCUSSION OF BENEFIT	7
GENERAL VERSUS SPECIAL BENEFIT	8
ZONES OF BENEFITASSESSMENT APPORTIONMENT	8
ASSESSMENT APPORTIONMENT	9
Assessment	12
CERTIFICATES	14
APPEALS AND INTERPRETATIONS	15
Assessment Diagram	16
Appendices	17
APPENDIX A – ASSESSMENT ROLL, FY 2008-09	17

## LIST OF FIGURES

FIGURE 1 - ASSESSMENT SUMMARY	<i>'</i>
FIGURE 2 - ESTIMATE OF COST FOR FISCAL YEAR 2008-09	5
FIGURE 3 - DETAILED ESTIMATE OF COST FOR FISCAL YEAR 2008-09	6
FIGURE 4 - APPORTIONMENT FACTORS SUMMARY	9
FIGURE 5 - LAND USE FACTORS	11
FIGURE 6 - ASSESSMENT DIAGRAM	16

### SUMMARY

#### PROJECT: CENTRAL COMMERCIAL MAINTENANCE ASSESSMENT DISTRICT

APPORTIONMENT METHOD:

LOT SQUARE FOOTAGE (LSF)

LINEAR FRONTAGE FOOT (LFF)

LAND USE TRIPS (TRIPS)

Figure 1 - Assessment Summary

	FY	· FY	FY	Maximum	
Central Commercial	2006-07	2007-08	2008-09	Authorized	
Total Parcels Assessed	436	438	431	431	
Total Estimated Assessment:	\$218,536	\$218,536	\$218,547	\$320,907	
Total Number of Units:					
LSF	2,879,209.00	2,879,209.00	2,879,209.00	2,879,209.00	
LFF	35,683.00	35,683.00	35,683.00	35,683.00	
Trips	18,556.78	18,556.78	18,562.00	18,562.00	
Unit Assessment Rate:					
\$/LSF	\$0.04	\$0.04	\$0.04	\$0.06	
\$/LFF	\$1.76	\$1.76	\$1.76	\$2.58	
\$/Trips	\$1.93	\$1.93	\$1.93	\$2.83	

**District History**: The District was formed in August 2000 by a Proposition 218 compliant ballot proceeding. In excess of the required weighted majority of property owners (61% of the weighted vote) approved the assessments and the provisions for annual cost indexing including the maximum authorized assessments for subsequent years.

Annual Cost Indexing: The assessments can increase by the maximum of 5% or the annual change in the San Diego Area Consumer Price Index (the "SDCPI-U"). The SDCPI-U for 2007 was 2.28%). The maximum authorized rates for fiscal year 2008-09 are listed in the Figure 1 above. The proposed assessment rate for fiscal year 2008-09 does not include an increase.

**Bonds:** No bonds will be issued in connection with this District

### INTRODUCTION

The Central Commercial Maintenance Assessment District (the "District") was formed by Resolution R-201471 of the City Council of the City of San Diego (City) on August 8, 2000 following a ballot proceeding which was supported by a 61% weighted vote of property owners. The purpose of the District was to provide funding for the following:

- Public safety, security, and suppression of gang activity.
- Dealing with homeless and vagrancy issues.
- Maintaining and beautifying the public right-of-way through street sweeping, tree
  planting and trimming, graffiti cleanup and increased street lighting for pedestrian
  safety and encouragement.

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments and to determine the benefits received from the maintenance and improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance"), provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

The assessments and the annual increase in the maximum authorized assessment rate equal to the annual change in the SDCPI-U were authorized by an assessment ballot proceeding concluded in the year 2000, so no additional assessment ballot proceeding is required as long as the assessment rates do not exceed the maximum authorized rates, as adjusted annually by the SDCPI-U.

## **PLANS & SPECIFICATIONS**

The District was established in Fiscal Year 2000-01 to fund streetscapes, signage, sidewalk and landscape maintenance, security related services, street lighting, banners, administration, and beautification projects such as public artwork and other decorations. The work and improvements proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Act and the Ordinance, the services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to landscaping, sprinkler systems, shrubs and trees, water, street lighting, and labor, materials, supplies, utilities and equipment, as applicable, for property within the District that is found in the public rights-of-way within the proposed District area, and any incidental costs thereto. Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") and are incorporated herein by reference.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, sidewalk and gutter sweeping, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies, and the cleaning, sandblasting, and painting of walls, and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements; or providing security and homeless patrols and other activities related to maintaining security.

Security services are provided for identifying graffiti for removal, homeless patrols, reporting security and safety problems to governmental agencies, and providing enhanced security services in the District. Security services will be provided by a contract service

provider for evening or early morning hours when District maintenance crews are not working.

# FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

The estimates of cost and budgets summarized in this section outline the costs of the services, improvements, maintenance costs and other costs to be funded by the assessments.

Figure 2 - Estimate of Cost for Fiscal Year 2008-09

mercia	I Mainter	iance	As	sessme	nt Dist	rict		
	FY 06-07	7		FY 07-	08		FY 08-	09
	Budget	·		Propos	ed		Propos	ed
	\$	-		\$	-		\$	-
	\$	-		\$	-		\$	-
\$	339,55	0.00	\$	218,5	36.00	\$	288,5	47.00
\$	339,55	0.00	\$	218,5	36.00	\$	288,5	47.00
	a a a a a a a a a a a a a a a a a a a	FY 06-07 Budget \$ \$ \$ 339,55	FY 06-07  Budget	FY 06-07  Budget  \$ - \$ - \$ 339,550.00 \$	FY 06-07 FY 07-  Budget Propos  \$ - \$  \$ - \$  \$ 339,550.00 \$ 218,5	FY 06-07 FY 07-08  Budget Proposed  \$ - \$ - \$ - \$ 339,550.00 \$ 218,536.00	FY 06-07 FY 07-08 Budget Proposed  \$ - \$ - \$ - \$ 339,550.00 \$ 218,536.00 \$	Budget         Proposed         Propos           \$         -         \$           \$         -         \$           \$         -         \$           \$         339,550.00         \$         218,536.00         \$         288,5

The Central Commercial Maintenance Assessment District (District) was established as a self-managed District in Fiscal Year 2000-01 to fund streetscapes, signage, banners, beautification, sidewalk and landscape maintenance, security related services, street lighting and administration. The District is located in the Southeastern San Diego Community Planning Area, Sherman Heights neighborhood situated along Imperial Avenue from Interstate 5 to 32nd Street; Commercial Avenue from Interstate 5 to 28th Street; National Avenue from 28th Street to 32nd Street; and all side streets in between Imperial Avenue and Commercial Avenue between Interstate 5 and 28th Street. The non-profit Central Commercial District Revitalization Corporation (Corporation) manages the District. The budget for Fiscal Year 2008-09 is presented in Figure 3.

Figure 3 - Detailed Estimate of Cost for Fiscal Year 2008-09

FY 06-07	FY 07-08	FY 08-09
BUDGET	BUDGET	PROPOSED
\$121,455	\$125,000	\$70,000
\$218,536	\$218,536	\$218,547
, \$1,600		
\$220,136	\$218,536	\$218,547
\$341,591	\$343,536	\$288,547
\$0	\$0	\$0
\$262,691	\$256,500	\$191,568
\$3,000	\$4,300	\$650
\$74,900	\$75,406	\$74,157
\$1,000	\$7,330	\$21,820
\$341,591	\$343,536	\$288,195
. \$0	\$0	\$352
	\$121,455 \$218,536 \$1,600 \$220,136 \$341,591 \$0 \$262,691 \$3,000 \$74,900 \$1,000 \$341,591	BUDGET         BUDGET           \$121,455         \$125,000           \$218,536         \$218,536           .\$1,600         \$218,536           \$220,136         \$218,536           \$341,591         \$343,536           \$0         \$0           \$262,691         \$256,500           \$3,000         \$4,300           \$74,900         \$75,406           \$1,000         \$7,330           \$341,591         \$343,536

Notes:

### ANNUAL COST INDEXING

At the time of ballot proceeding originally forming this district effective commencing in fiscal year 2000-01, the following provision for cost indexing was approved: "The maximum authorized assessment established in these proceedings is authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U or 5%, whichever is greater."

The annual increase in the SDCPI-U (2007 annual change) was 2.28%. An increase in the authorized assessment rate is not needed for fiscal year 2008-09, so the proposed assessments rates for fiscal year 2008-09 are the same rate as last fiscal year. However, the maximum authorized assessments that may be levied in future years shall be increased by the annual increase in the SDCPI-U.

<sup>1.</sup> Includes 4% City Administration Fee

# METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits derived from the maintenance, services and improvements provided by the District and the methodology used to apportion the total assessment to properties within the District.

The District boundary is presented in Figure 6. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

#### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's setback landscaping or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the maintenance, services and improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from services and



improvements such as those proposed by the City of San Diego Central Commercial Maintenance Assessment District. These types of special benefit are summarized as follows:

- Protection of views, scenery and other resources values and environmental benefits enjoyed by residents, customers and guests and preservation of public assets maintained by the District.
- Increased economic opportunity.
- Reduced cost of local government in law enforcement, public health care, and fire prevention.
- Enhanced safety and reduced liability risk.
- Enhanced quality of life and desirability of the area.
- Specific enhancement of property values.

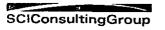
These benefit factors, when applied to property in the District, specifically increase the value of the land within the District. For example, the increased assessments will provide funding to employ contract security personnel. The enhanced public safety and security afforded by such services, during the early morning and evening hours when maintenance personnel are not present, enhance the overall quality and desirability of the properties. In turn, property values are specifically enhanced by the availability of security services in the area. In addition, the street lighting maintenance affords greater pedestrian safety and security, which specifically enhances the value of the properties in the District.

### **GENERAL VERSUS SPECIAL BENEFIT**

Consistent with City policy for the public at large, the City provides the District with annual contributions for landscape/tree maintenance (from the Gas Tax Fund), street sweeping once a month, energy and maintenance for minimum standard street lighting, and security (through the police department) at a standard level throughout the City. These contributions and services, reviewed and adjusted annually by the City, are for any "general benefits" provided by the District. All other maintenance, operation, capital improvement, and administrative costs, which exceed the City's contribution to the public at large, are "special benefits" funded by the District.

#### **ZONES OF BENEFIT**

District services are provided uniformly throughout the District boundary areas. Consequently, since all parcels have good access and proximity to the benefits proximity is not considered to be a factor in determining benefit to property.



### ASSESSMENT APPORTIONMENT

The following discussion of Assessment Apportionment is consistent with previous engineer's reports adopted by the City Council for the District.

The total cost of improvements and services provided by the District are assessed to the various parcels with the District boundary in proportion to the estimated benefit received by each parcel relative to the total assessments for the District. Figure 4 below defines the factors, the weight of total assessments given to each factor, and the rationale for each factor utilized in the method of apportionment or formulas applied to apportion the total assessments to each parcel in this District.

Figure 4 - Apportionment Factors Summary

Factor	Weight	Rationale
LOT SIZE	50%	Measure of a parcel's proportionate Lot Square Footage (LSF) ownership or stakeholder interest in the community.
LOT FRONTAGE	25%	Measure of a parcel's proportionate Linear Frontage Foot (LFF) share of the linear frontage of right-of-way enhancement/services.
LAND USE	25%	Measure of a parcel's proportionate Trips by Land Use (Trips) contribution to the intensity of use of the public right-of-way.

The total assessment for each parcel is the sum of the assessment calculated by application of each factor.

### LOT SIZE FACTOR

The Lot Size Factor is a measure of a parcel's proportionate area of ownership or stakeholder interest relative to the total area of the District, which is receiving enhanced maintenance, beautification, and security service provided by the District. This factor has been weighted to provide a "target component" of approximately fifty percent (50%) of the total assessment. There is currently a total of 2,879,209.00 lot square feet (LSF) within the District. The assessment rate applied to each square foot of lot area is \$0.04 (subject to further cost indexing in future years).

### FRONT FOOTAGE FACTOR

The Front Footage Factor is a measure of a parcel's proportionate share of the linear front footage (LFF) of the total front footage length of public right-of-way for which the District is providing enhanced and increased maintenance, beautification, and security services. Apportionment of services (e.g., street sweeping, street trees, graffiti removal, street lighting, etc.) in proportion to front footage is a very common practice. The front footage for each parcel has been limited to the total front footage of a parcel along the street for which the address of the parcel has been assigned. This factor has been weighted to provide a "target component" of twenty-five percent (25%) of the total assessment. Within the District's boundary, there is a total of 35,483.00 LFF. The rate of assessment applied to each frontage foot is \$1.76 (subject to further cost indexing in future years).

### LAND USE FACTOR

The Land Use Factor is a measure of a parcel's proportionate contribution to the intensity of use of the public right-of-way. This intensity of use can be quantified by the number of trips a parcel generates to and from the public right-of-way. The standard and accepted document for establishment of the number of trips generated by a parcel is the "Trip Generation Manual" as approved by the City of San Diego in September 1998. The manual bases trip generations on a rate of trips per residential dwelling unit, or per building square footages and/or lot acreage for the various classifications of non-residential land uses. The land use classification for each parcel within the District boundary has been identified. The number of daily trips generated by each parcel has been calculated based on the Trip Generation Manual. This factor has been weighted to provide a "target component" of twenty-five percent (25%) of the total assessment. However, due to variation of land use intensity, this target component is not achievable. The actual landuse factor was calculated such that the assessment on any parcel would not exceed that assessment which would result if the land uses were uniform and the total land use component would add up to the target component. For ease and reasonableness of calculation, land use trip generation rates have been grouped and averaged. Figure 5 details the trip generation rates used for the calculation in this District.

Figure 5 - Land Use Factors

Land Use	Code	Land Use Factor
Single Family	SFR	10.0 per dwelling unit
Mutti-Family	MFR	7.0 per dwelling unit
Commercial	COM	32.0 per 1000 sq ft
House of Worship	HOW	9.0 per 1000 sq ft
Industrial	IND	12.0 per 1000 sq ft
Institutional	INST	14.0 per 1000 sq ft
Parking Lot	PRK	0
Vacant	VAC	0 .

A rate of assessment is then applied to each trip generated by a parcel to assess for each parcel's proportionate share of the total trips generated within the District. For parcels having multiple or mixed land use, a calculation has been performed for each distinct land use on each parcel. Within the District's boundary there are a total of 345 residential units and 1,404,084 square feet of nonresidential building area. The rate of assessment applied to each trip generated is \$1.93 per trip (subject to further cost indexing in future years).

### SAMPLE CALCULATION

**Residential Parcel:** multi-family residential land use; total lot area of 7,000 square feet; total lot front footage of 50 lineal feet; 4 dwelling units.

7,000 LSF x \$0.0417 per LSF =	\$291.90
50 LFF x \$1.7576 per LFF =	\$87.88
4 Units x 7 trips per unit x \$1.9269 per trip =	\$53.95
Total Assessment =	\$433.73

**Non-Residential:** Parcel: commercial land use; total lot area of 7,000 square feet; total lot front footage of 190 lineal feet; total commercial building area of 5,000 square feet.

7,000 LSF x \$0.0417 per LSF =	\$291.90
190 LFF x \$1.7576 per LFF =	\$333.94
5,000 SF x 32 trips per 1,000 SF x \$1.9269 per trip =	\$308.30
Total Assessment =	\$934.15

WHEREAS, the City of San Diego, County of San Diego, California, pursuant to the provisions of the Ordinance, the Act and the Article directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Ordinance, Act and Article, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto by the Central Commercial Maintenance Assessment District for the fiscal year 2008-09 is \$288,547.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Central Commercial Maintenance Assessment District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the San Diego Area for each succeeding year ("SDCPI-U"), with the maximum annual adjustment not to exceed the greater of 5% or the annual change in the SDCPI-U. In the event that the annual change in the CPI exceeds 5%, any percentage change in excess of 5% will be cumulatively reserved and will be added to the annual change in the CPI for years in which the CPI change is less than 5%.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Diego for the fiscal year 2008-09. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Rolls, the amount of the assessment for the fiscal year 2008-09 for each parcel or lot of land within the said Central Commercial Maintenance Assessment District.

Dated:	
	Engineer of Work
	Bylohn W. Rliss License No. C052091

# CERTIFICATES

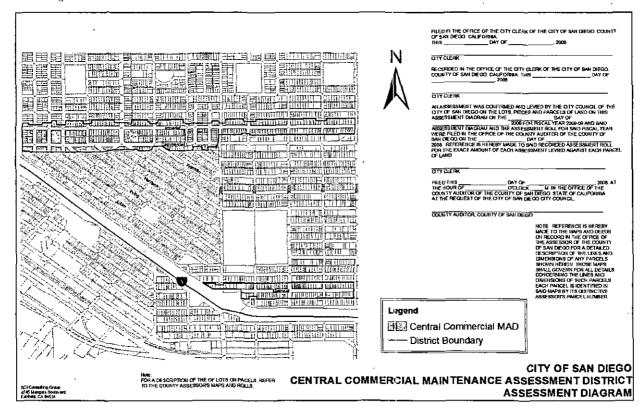
1.	The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of San Diego.
	Engineer of Work, License No. C052091
2.	I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on, 2008.
	Clerk of the City Council
3.	I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on, 2008, by Resolution No
	Clerk of the City Council
4.	I, the Clerk of the City Council of the City of San Diego, County of San Diego, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of San Diego, California, on, 2008.
	Clerk of the City Council

### **APPEALS AND INTERPRETATIONS**

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Engineer of Work for the PBID or MAD assessments (the "Assessment Engineer"). Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Assessment Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Assessment Engineer or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the City of San Diego or its designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner, who disagrees with the decision of the Assessment Engineer or her or his designee, may refer their appeal to the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") or his or her designee and the decision of the Project Manager shall be final.

The boundaries of the Central Commercial Maintenance Assessment District are displayed on the following Assessment Diagram.

Figure 6 - Assessment Diagram



# **APPENDICES**

### APPENDIX A - ASSESSMENT ROLL, FY 2008-09

The Assessment Roll (a listing of all parcels assessed within the Central Commercial Maintenance Assessment District and the amount of the assessment) is filed with the Project Manager and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.



# **CITY OF SAN DIEGO**

**CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT** 

# **ENGINEER'S REPORT**

**JUNE 2008** 

PURSUANT TO THE SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT ORDINANCE OF THE SAN DIEGO MUNICIPAL CODE LANDSCAPE AND LIGHTING ACT OF 1972 CALIFORNIA STREETS AND HIGHWAY

CODE

ENGINEER OF WORK: **SCIConsultingGroup** 4745 Mangels Boulevard FAIRFIELD, CALIFORNIA 94534 PHONE 707.430.4300 FAX 707.430.4319 www.sci-cq.com

# **TABLE OF CONTENTS**

SUMMARY	
PROJECT: CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT	
INTRODUCTION	2
PLANS & SPECIFICATIONS	3
FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET	5
METHOD OF APPORTIONMENT	6
DISCUSSION OF BENEFIT	6
GENERAL VERSUS SPECIAL BENEFIT	
ZONES OF BENEFIT	
ASSESSMENT APPORTIONMENT	
Assessment	9
CERTIFICATES	11
APPEALS AND INTERPRETATIONS	12
ASSESSMENT DIAGRAM	13
APPENDICES	14
APPENDIX A ~ ASSESSMENT ROLL, FY 2008-09	14

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# LIST OF FIGURES

Figure 1 - Assessment Summary	1
FIGURE 2 - ESTIMATE OF COST FOR FISCAL YEAR 2008-09	. 5
FIGURE 3 - ASSESSMENT DIAGRAM	13

### PROJECT: CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT

APPORTIONMENT METHOD: LINEAR FRONTAGE FOOT (LFF)

Figure 1 - Assessment Summary

	Maximum <sup>(2)</sup>		
	FY 2008-09 <sup>(1)</sup>	Authorized	
Total Parcels Assessed:	312		
Total Estimated Assessment:	\$302,095	\$350,985	
Total Estimated LFF:	26,292	<del></del>	
Assessment per LFF:	\$11.49	<b>\$</b> 13.35	

<sup>(1)</sup> FY 2007-08 is the City's Fiscal Year 2008, which begins July 1, 2007 and ends June 30, 2008. Total Parcels Assessed, Total Estimated Assessment, and Total Estimated LFF may vary in future years due to parcel changes.

**Proposition 218 Compliance:** In fiscal year 2004-05, in a ballot proceeding, in excess of weighted majority property owners (62.4% of the weighted vote) approved the fiscal year 2004-05 assessments and the provisions for annual cost indexing including the maximum authorized assessments for subsequent years.

Annual Cost Indexing: The assessments are authorized to increase by the annual change in the San Diego Area Consumer Price Index (the "SDCPI-U") plus 2%, with such increases to the maximum authorized rate commencing in fiscal year 2005-06. The current maximum authorized rate that can be levied without an assessment ballot proceeding is \$13.35 per linear front foot.

Bonds: No bonds will be issued in connection with this District.

<sup>(2)</sup> Maximum authorized assessment subject to cost indexing provisions set forth in this Assessment Engineer's Report.

### INTRODUCTION

In fiscal year 2004, the City of San Diego was petitioned by property owners in the Mid-City Maintenance Assessment District asking the City to form a new assessment district to fund the maintenance, improvement and servicing of landscaping, sidewalk and gutter sweeping, sidewalk washing, regular security patrols, trash removal and graffiti abatement along portions of University Avenue, 37th Street, Central Avenue, 43rd Street and Fairmont Avenue. This new proposed assessment district was named the "City Heights Maintenance Assessment District" (the "District"). After receiving and reviewing this petition, the City conducted an assessment ballot proceeding that allowed property owners in the District to ultimately decide if the proposed assessments should be levied and the services and improvements they would fund should be provided.

The City Heights Maintenance Assessment District was established in July 2004 after a weighted majority of assessment ballots submitted by property owners in the District were tabulated and found to be in support of the proposed assessments and services and improvements they would fund. When the new City Heights Maintenance Assessment District was established, properties that were previously in the Mid-City Maintenance Assessment District, Sub-District #1 and Sub-District #2 were no longer subject to the Mid-City assessments.

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments and to summarize the benefits received from the maintenance and improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance"), provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

The assessments and the annual increase in the maximum authorized assessment rate equal to the annual change in the SDCPI-U plus 2% were authorized by an assessment ballot proceeding conducted in the year 2004, so no additional assessment ballot proceeding is required as long as the assessment rates do not exceed the maximum authorized rates, as adjusted annually by the SDCPI-U plus 2%.

# **PLANS & SPECIFICATIONS**

The portions of University Avenue, Fairmount Avenue and 43rd included in the District are the primary commercial areas for the community of City Heights. The landscaping, surface treatments and maintenance benefit the commercial and residential properties immediately adjacent to them by providing an enhanced image for the business and residential property in the District and by providing the other special benefits to property as described in this Engineer's Report. Properties outside of the District do not receive special benefits from the maintenance services and improvements funded by the assessments and have not been included in the District.

The work and improvements proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Maintenance Assessment District Ordinance of the City of San Diego the services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to landscaping, sprinkler systems, shrubs and trees, water, street lighting, and labor, materials, supplies, utilities and equipment, as applicable, for property within the District that is found in the public rights-of-way within the proposed District area, and any incidental costs thereto. Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") and are incorporated herein by reference.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, sidewalk and gutter cleaning and sweeping, collection and disposal of fallen branches and trees, tree and bush trimming, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies, and the cleaning, sandblasting, and painting of walls, and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other



improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

# FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

Figure 2 - Estimate of Cost for Fiscal Year 2008-09

FY 06-07 BUDGET	FY 07-08 BUDGET	FY 08-09 PROPOSED \$120,274
#202 A0E	#300 00#	\$202.00E
\$302,095	\$302,095	\$302,095
\$302,095	\$302,095	\$302,095
\$302,095	\$302,095	\$422,369
· \$0	\$0	\$0
\$244,797	\$202,160	\$302,400
\$3,000	\$5,500	\$3,500
\$39,729	\$94,435	\$86,259
\$14,569	\$0	\$30,210
\$302,095	\$302,095	\$422,369
\$0	\$0	. \$0
	\$302,095 \$302,095 \$302,095 \$302,095 \$0 \$244,797 \$3,000 \$39,729 \$14,569 \$302,095	\$302,095 \$302,095 \$302,095 \$302,095 \$302,095 \$302,095 \$302,095 \$302,095 \$0 \$0 \$244,797 \$202,160 \$3,000 \$5,500 \$39,729 \$94,435 \$14,569 \$0 \$302,095 \$302,095

Notes:

<sup>1.</sup> Includes 4% City Administration Fee

### METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits derived from the maintenance, services and improvements provided by the District and the methodology used to apportion the total assessment to properties within the District.

The District boundary is presented in Figure 3. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

#### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's setback landscaping or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the maintenance, services and improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from services and

improvements such as those proposed by the City of San Diego City Heights Maintenance Assessment District. These types of special benefit are summarized as follows:

- Enhanced visual aesthetics of the commercial business district.
- Increased economic opportunity.
- Creating a sense of community identity and pride.
- Enhanced quality of life and desirability of the area.
- Enhanced safety and utility of property
- Enhanced image for properties in the District
- Specific enhancement of property values.

These benefit factors, when applied to property in the District, specifically increase the utility and value of the land within the District. In addition, the maintenance services funded by the assessments enhance safety and security of customers, residents and guests, which specifically enhances the value of the properties in the District.

#### GENERAL VERSUS SPECIAL BENEFIT

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (29.0¢ per square foot of landscaped median and 11.81¢ per square foot of hardscape median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are for any "general benefits" provided by the District. In addition, the City contributes other services to cover any general benefits, such as trash pickup twice per week and gutter sweeping once per month. This level of service is provided from the general fund as general benefit. All other maintenance, operation, and administrative costs funded by the assessments, which exceed the City's contributions, are reasonably determined to be "special benefits" funded by the District.

#### ZONES OF BENEFIT

District services are provided uniformly throughout the District boundary areas. Consequently, since all parcels have good access and proximity to the benefits proximity is not considered to be a factor in determining benefit to property in the District. Therefore, no Zones of Benefit with different assessment rates are required.

#### ASSESSMENT APPORTIONMENT

The following discussion of Assessment Apportionment is consistent with previous engineer's reports adopted by the City Council for the District.



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It is estimated that the benefit received by each parcel is directly proportional to the linear footage of each parcel fronting the improvements. The total linear footage for all the parcels for the District fronting on City Heights has been divided into the estimated cost for the District to determine the assessment per linear front foot for the parcel located within the District.

### **ANNUAL COST INDEXING**

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U) plus 2%, as approved by the District property owners in Fiscal Year 2004, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of any additional Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval. The maximum authorized assessment established in the Fiscal Year 2004 proceedings are indexed (increased or decreased) annually by the factor published in the SDCPI-U plus two percent (2%). Fiscal Year 2005-06 is the first year authorized for such indexing. The maximum authorized assessment for City Heights for fiscal year 2008-09 is \$13.3495 per linear foot. This maximum authorized rate was calculated by applying the CPI change of 2.28% plus 2% to the maximum approved rate of \$12.8016 per linear foot for fiscal year 2007-08. The proposed assessment rate for fiscal year 2008-09 is the same as fiscal year 2005-06, \$11.4951 per linear foot and is less than the maximum assessment rate for fiscal year 2008-09.

### **ASSESSMENT**

WHEREAS, the City of San Diego, County of San Diego, California, pursuant to the provisions of the Ordinance, the Act and the Article directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

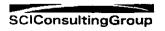
**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Ordinance, Act and Article, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto by the City Heights Maintenance Assessment District for the fiscal year 2008-09 is \$422,369.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said City Heights Maintenance Assessment District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are subject to an annual adjustment tied to the annual change in the SDCPI-U for the proceeding year, plus 2%. The maximum authorized assessment rate is defined as the initial fiscal year 2004-05 assessment rate increased by the annual change in the SDCPI-U, plus 2% per year. In the event that the assessments are levied at a rate below the maximum authorized assessment rate, the assessments can be increased in future years up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

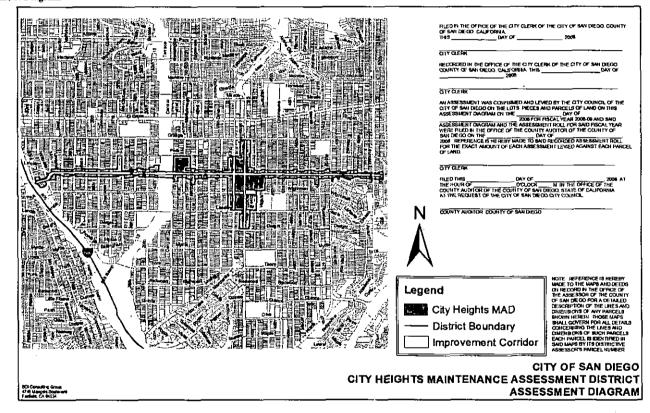


### **APPEALS AND INTERPRETATIONS**

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Engineer of Work for the PBID or MAD assessments (the "Assessment Engineer"). Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Assessment Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Assessment Engineer or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the City of San Diego or its designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner, who disagrees with the decision of the Assessment Engineer or her or his designee, may refer their appeal to the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") or his or her designee and the decision of the Project Manager shall be final.

The boundaries of the City Heights Maintenance Assessment District are displayed on the following Assessment Diagram.

Figure 3 - Assessment Diagram

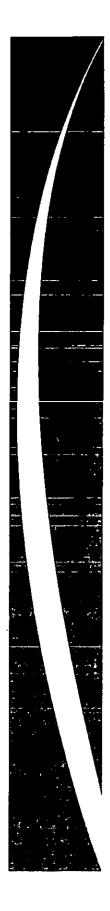


# **APPENDICES**

# APPENDIX A - ASSESSMENT ROLL, FY 2008-09

The Assessment Roll (a listing of all parcels assessed within the City Heights Maintenance Assessment District and the amount of the assessment) will be filed with the Project Manager and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.



# CITY OF SAN DIEGO

**COLLEGE HEIGHTS MAINTENANCE ASSESSMENT DISTRICT** 

# **ENGINEER'S REPORT**

**JUNE 2008** 

PURSUANT TO THE SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT ORDINANCE OF THE SAN DIEGO MUNICIPAL CODE AND LANDSCAPE AND LIGHTING ACT OF 1972 CALIFORNIA STREETS AND HIGHWAY CODE

ENGINEER OF WORK:

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# TABLE OF CONTENTS

SUMMARY	
PROJECT: COLLEGE HEIGHTS LANDSCAPE MAINTENANCE DISTRICT	
INTRODUCTION	
PLANS & SPECIFICATIONS	5
FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET	
METHOD OF APPORTIONMENT	10
DISCUSSION OF BENEFIT SERVICE FREQUENCIES BY BENEFIT ZONE GENERAL VERSUS SPECIAL BENEFIT ZONES OF BENEFIT ASSESSMENT APPORTIONMENT ANNUAL COST INDEXING	11 12 12 13
ASSESSMENT	16
CERTIFICATES	18
APPEALS AND INTERPRETATIONS	19
Assessment Diagram	20
APPENDICES	21
APPENDIX A – ASSESSMENT ROLL, FY 2008-09	21
END NOTES	22

# LIST OF FIGURES

FIGURE 1 - ASSESSMENT SUMMARY	3
FIGURE 2 - ESTIMATE OF COSTS FOR FISCAL YEAR 2008-09	
FIGURE 3 - SERVICES BY BENEFIT ZONE	12
FIGURE 4 - ASSESSMENT APPORTIONMENT BY BENEFIT ZONE	13
FIGURE 5 – MAXIMUM ASSESSMENT RATES	15
FIGURE 6 - ACCECCMENT DIACRAM	20

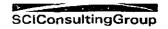
### SUMMARY

### PROJECT: COLLEGE HEIGHTS LANDSCAPE MAINTENANCE DISTRICT

SERVICES/IMPROVEMENTS FUNDED:

The District will fund and provide the following improvements/maintenance services:

- Public Rights of Way and Sidewalk Operations (PROWSO) including:
  - -Sidewalk cleaning
  - -Daily trash can emptying
  - -Sidewalk steam cleaning
  - -Gutter sweeping
  - -Beautification
  - -Banner and decorations installation
  - -Maintenance of landscaped medians (once installed)
  - -Graffiti paint out
  - -Removal of bulky items
  - -Possibly security/homeless intervention
  - -Tree and shrub planting and maintenance
- Special Projects including:
  - -Transportation/shuttle to Trolley stop
  - -Economic development and planning
  - -Lighting energy costs (once installed)
  - -Minor capital improvements and acquisition of equipment
  - -Signage
- Administration/Corporate Operations/Outreach including:
  - -District management
  - -Overseeing of contracts
  - -Relations with City and Council office
  - -Relations with property owners
  - -Relationship with Redevelopment Agency, Community Planning Groups and College Area Business Improvement District (BID)
  - -Insurance
  - -Legal and accounting
  - -Office related expenses



- Contingency/Incidentals including:
  - -City costs including assessment enrollments, budget monitoring, etc.
  - -County costs
  - -No pays
  - -Miscellaneous

**Apportionment Method:** Lot Square Footage (LSF)

Linear Frontage Foot (LFF)
Building Square Footage (BSF)
Benefit Zone 1 and 2

Figure 1 - Assessment Summary

	Zone 1	Zone 2	Totals	% of Total
Total Parcels Assessed	122	221	343	•
MEASURED QUANTITIES				
LSF	2,646,627	2,442,984	5,089,611	-
LFF	11,449	16,200	27,649	-
BSF	743,792	796,852	1,540,644	-
UNIT ASSESSMENT RATES (1)				
\$/LSF	\$0.03024300	\$0.02760303		-
\$/LFF	\$3.66841708	\$2.08334634	•	-
\$/BSF	\$0.03057136	\$0.03057136		-
ESTIMATED ASSESSMENT REVENUE (2)				
LSF Revenue	\$80,042	\$67,434	\$147,476	50%
LFF Revenue	\$42,000	\$33,750	\$75,750	26%
BSF Revenue	\$22,739	\$24,361	\$47,100	16%
Total Estimated Assessment Revenue	\$144,780	\$125,545	\$270,325	91%

**Proposition 218 Compliance:** The District was formed in 2004 in compliance with Proposition 218. Well in excess of the required weighted majority of property owners (73.64% of the weighted vote), approved the Fiscal Year 2004-05 assessments, and the provisions for annual cost indexing including the maximum authorized assessments for subsequent years.

Annual Cost Indexing: The assessments are authorized to increase by the annual change in the SDCPI-U or by a flat percentage rate increase not to exceed 5% of the previous year's rate, with such increases to the maximum authorized rate commencing in fiscal year 2005-06. The SDCPI-U for 2007 was 2.28%. The current maximum authorized rates that can be levied without an assessment ballot proceeding are shown in Figure 5 in this Report.

Bonds: No bonds will be issued in connection with this District.

### INTRODUCTION

The College Heights Maintenance Assessment District (the "District") was formed by Resolution R-299142 of the City Council of the City of San Diego (City) on April 27, 2004 The District was formed in 2003-04 for compliance with Proposition 218 in which 73.64% of the weighted vote of property owners participating in the election supported the assessment. The City Council then approved the continuation of the assessments.

The purpose of the District is to provide funding for:

- maintaining areas adjacent to the street rights-of-way, which are landscaped with ground cover, trees and shrubs;
- graffiti removal
- safety programs and homeless intervention
- parking and transportation services in the district
- beautification, tree planting and community identification signs
- regular sidewalk and street gutters sweeping;
- removal of bulky discard and abandoned items
- increased trash pick-up; and

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments and to summarize the benefits received from the maintenance and improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance"), provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

The assessments and the annual increase in the maximum authorized assessment rate equal to the annual change in the SDCPI-U or by a flat percentage rate increase not to exceed 5% of the previous year's rate, were authorized by an assessment ballot proceeding conducted in the year 2004, so no additional assessment ballot proceeding is required as long as the assessment rates do not exceed the maximum authorized rates.



# PLANS & SPECIFICATIONS

The College Heights Maintenance Assessment District was formed to fund improvements to the appearance, identity, continuity, sense of place, economic vitality, desirability and aesthetic appeal of property in the District. The College heights area is located within the Crossroads Redevelopment Project. In addition to the enhanced maintenance activities outlined in the previous section, District funds will provide maintenance and improvement of landscaped medians, new pedestrian lighting as well as provide for other needed community services such as economic development strategies to attract new businesses and mixed use developments to the area.

The work and improvements proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Maintenance Assessment District Ordinance of the City of San Diego the services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to landscaping, sprinkler systems, shrubs and trees, water, street lighting, materials, supplies, utilities and equipment, as applicable, for property within the District, and any incidental costs thereto. Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") and are incorporated herein by reference.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, collection and disposal of fallen branches and trees, tree and bush trimming, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, ongoing inspection and repairs and labor, sidewalk and gutter cleaning and sweeping, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies, and the cleaning, sandblasting, and painting of walls, and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other

improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

# FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

Figure 2 - Estimate of Costs for Fiscal Year 2008-09

	FY 06-07	FY 07-08	FY 08-09
COLLEGE HEIGHTS MAD	BUDGET	BUDGET	PROPOSED
BEGINNING BALANCE	\$140,000	\$150,000	\$452,698
Revenue			
Assessments	\$274,189	\$274,189	\$270,325
Gas Tax Fund	\$7,794	\$8,789	\$8,571
Interest			_
TOTAL OPERATING REVENUE	\$281,983	\$282,978	\$278,896
TOTAL REVENUE AND BALANCE	\$421,983	\$432,978	\$731,594
Expense			
Personnel	\$0	· \$0	\$0
Contractual	\$290,607	\$303,085	\$521,675
Utilities	\$4,843	\$4,329	\$76,200
Incidentals / Administration <sup>1</sup>	\$92,026	\$82,266	\$106,300
Contingency Reserve	\$34,507	\$43,298	\$27,419
TOTAL EXPENSE	\$421,983	\$432,978	\$731,594
BALANCE	\$0	\$0	\$0

Notes:

<sup>1.</sup> Includes 4% City Administration Fee

## **Notes on Estimated Costs**

## Public Rights of Way and Sidewalk Operations (PROWSO)

Allocation of Maintenance Personnel per Benefit Zone:

Assumptions on Maintenance Personnel for Zones 1 & 2:

- Personnel will be assigned to provide supplemental needed maintenance services throughout the District until such time as the median islands are constructed
- Maintenance workers are estimated to be paid \$8.00 per hour;
- Assistant Supervisors are estimated to be paid \$10.00 per hour;
- Supervisors are estimated to be paid \$12.00 per hour;
- All workers will have good driving records to reduce insurance costs;
- Employees should be contracted through outside company to avoid liability;
- Factor approximately 1.4 per employee to accommodate payroll, benefits, taxes, etc;
- Maximum rates (including factor) of pay are as follows:

Maintenance workers @ \$11.20 per hour

Assistant Supervisor @ \$ 14.00 per hour

Supervisor @ \$ 16.40 per hour

## Service Levels

Benefit Zone 1:

Frequency, 5 - 7 times per week.

2 Maintenance workers, 7 days

1/2 Assistant Supervisor costs (12 hours per week)

1/2 Supervisor costs (12 hours per week)

- 112 hours per week for Maintenance workers
- 12 hours of Assistant Supervisor
- 12 hours of Supervisor

**BENEFIT ZONE 2:** 

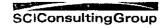
Frequency, 4 - 5 times per week.

2 Maintenance workers, 5 days

1/2 Assistant Supervisor costs (12 hours per week)

1/2 Supervisor costs (12 hours per week)

- 80 hours per week for Maintenance workers
- 12 hours of Assistant Supervisor
- 12 hours of Supervisor



## **Special Projects:**

This funding element will be used for special purchases such as banners, area signage, vehicle purchases, equipment purchases, special street lighting, etc. For the special street lights that will be installed and activated by the District, the cost is determined by the price of paying energy costs as follows:

240 Pedestrian lights estimated @ \$150 per light per year = 240 x \$150 = \$36,000

## **Administration:**

Below are the estimated costs of administering the proposed District for Fiscal Year 2008-09. Funds are allocated for service oversight, accounting and bookkeeping, office supplies, insurance and other administrative expenses.

Itemized Expense	Estimated Annual Cost
<ul> <li>General Management or District/Personnel <sup>1</sup></li> </ul>	\$ 40,548
<ul><li>Insurance (Gen Liability and D &amp; O)</li></ul>	\$ 10,000
<ul><li>Rent</li></ul>	\$ 3,100
<ul> <li>Office supplies</li> </ul>	\$ 3,500
<ul> <li>Office equipment</li> </ul>	\$ 6,000
<ul> <li>Postage/printing</li> </ul>	\$ 400
■ Phone/fax .	\$ 2,813
<ul><li>Legal</li></ul>	\$ 0
<ul><li>Accounting</li></ul>	\$ 1,200

Total Estimated Annual Administrative Expenses = \$ 67,561.00 per year;

### Incidentals/Contingency

The contingency builds a reserve for the District for funding emergency needs, constructing minor capital improvements, and ensuring sufficient cash at all times during the year. This category also includes incidental costs such as the City administration costs associated with assessment enrollment, collections, parcel updates, and budget monitoring. This cost will not exceed 10% of the annual assessment. City will ensure that these costs are kept to a minimum by means of operational efficiencies and cost savings.

## METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits derived from the maintenance, services and improvements provided by the District and the methodology used to apportion the total assessment to properties within the District.

The District boundary is presented in Figure 5. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

#### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's setback landscaping or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the maintenance, services and improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from services and



improvements such as those proposed by the City of San Diego College Heights Maintenance Assessment District. These types of special benefit are summarized as follows:

- Enhanced visual aesthetics of the commercial business district.
- Increased economic opportunity.
- Creating a sense of community identity and pride.
- Enhanced quality of life and desirability of the area.
- Enhanced safety and utility of property
- Enhanced image for properties in the District
- Specific enhancement of property values.

These benefit factors, when applied to property in the District, specifically increase the utility and value of the land within the District. In addition, the maintenance services funded by the assessments enhance safety and security of customers, residents and guests, which specifically enhances the value of the properties in the District.

## SERVICE FREQUENCIES BY BENEFIT ZONE

The Figure 3 details the levels of services by Benefit Zone.

Figure 3 - Services by Benefit Zone

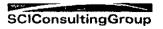
	Service	Frequency of Benefit Zone 1	Frequency of Benefit Zone 2
Pu	blic Rights of Way and Sidewalk Operations/Beautifi	ication	
a.	Sidewalk sweeping	5 -7 days per week	4 – 5 days per week
b.	Removal of bulky items	Within 24 hours	Within 24 hours
C.	Graffiti removal	Within 24 hours	Within 24 hours
d.	Tree watering and maintenance	Weekly	Weekly
	Landscape median maintenance (after installed)	Weekly	Weekly
e.	•		·
f.	Banner installation (with BID program)	Seasonally	Seasonally
g.	Sidewalk steam cleaning (based upon City's new stringent standards)	Quarterly	Twice per year
h.	Trash can emptying	Daily/when needed	Daily/when needed
i.	Plant and shrub maintenance	Weekly	Weekly
	Report hazards to City	Within 24 hours	Within 24 hours
Κ.	Holiday decorations	Seasonally	Not applicable
	,	As determined, costs expended equally	As determined, costs expended equally
Special Projects		between each Benefit Zone	between each Benefit Zone
Αdi	ministration / Corporate Operations	Monday – Friday	Monday – Friday

#### GENERAL VERSUS SPECIAL BENEFIT

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (32.7¢ per square foot of landscaped median and 12.39¢ per square foot of hardscape median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are for any "general benefits" provided by the District. In addition, the City contributes other services to cover any general benefits, such as trash pickup twice per week, gutter sweeping once per month, energy and maintenance for minimum standard street lighting, and security (through the police department) at a standard level throughout the City. This level of service is provided from the general fund as general benefit. All other maintenance, operation, and administrative costs funded by the assessments, which exceed the City's contributions, are reasonably determined to be "special benefits" funded by the District.

## **ZONES OF BENEFIT**

Services and improvements funded by the assessments will be provided at different levels and frequencies as outlined in Figure 3. Therefore, two zones of benefit, Zone 1 and Zone 2 are established within the District.



#### ASSESSMENT APPORTIONMENT

The following discussion of Assessment Apportionment is consistent with final engineer's report adopted by the City Council for the District for fiscal year 2004-05.

Due to the nature of the proposed services and improvements and the existence of two benefit zones, assessment weights vary and are apportioned by Benefit Zone and District funding activity as shown below in Figure 4.

Figure 4 - Assessment Apportionment by Benefit Zone

Service Description	Targeted Apportionment of Costs to each Benefit Zone
Public Rights of Way and Sidewalk Operations (PROWSO)	50% of cost to Zone 1 linear frontage
Personnel for Benefit Zone 1	50% of cost to Zone 1 lot size
PROWSO Personnel for Benefit Zone 2	50% of cost to Zone 2 linear frontage
	50% of cost to Zone 2 lot size
PROWSO non-personnel costs (truck, gas, insurance, materials,	100% of cost to Zone 1 & 2 lot size
equipment, misc., etc.) for Benefit Zones 1 & 2	
Special projects including transportation, energy for street lights,	50% of cost to Zone 1 & 2 lot size
special projects, signage, etc. for <b>Benefit Zones 1 &amp; 2</b> (Special projects budget to be used for one time projects until the new pedestrian special lighting program has been implemented and funds will then be used to pay energy costs for the new lights)	50% of cost to Zone 1 & 2 building size (Land uses "A" – "D" only *)
Administration/Corporate Operations/Outreach for Benefit Zones 1 & 2	100% of cost to Zone 1 & 2 building size
	(Land uses "A" – "D" only *)
Contingency for Benefit Zone 1 & 2	100% of cost to Zone 1 & 2 lot size

The total assessment for each parcel is the sum of the assessment calculated by application of each factor.

#### LOT SIZE FACTOR

The Lot Size Factor is a measure of a parcel's proportionate area of ownership or stakeholder interest relative to the total area of the District, which is receiving enhanced maintenance, beautification, and other property related services provided by the District. This factor has been weighted to provide a "target component" of 50% of respective "PROWSO" personnel costs in Zone 1 and 2, 100% of District-wide PROWSO non-personnel costs, 50% of District-wide special project costs, and 100% of District-wide contingency costs. This factor has been weighted to provide a "target component" of approximately fifty percent (50%) of the total assessment.

#### FRONT FOOTAGE FACTOR

The Front Footage Factor is a measure of a parcel's proportionate share of the linear front footage (LFF) of the total front footage length of public right-of-way for which the District is providing enhanced and increased maintenance, beautification and other property related services provided by the District. Apportionment of services in proportion to front footage is a very common practice. The front footage for each parcel has been limited to the total front footage of a parcel along the street for which the address of the parcel has been assigned. This factor has been weighted to provide a "target component" of 50% of respective "PROWSO" personnel costs in Zone 1 and 2.

#### **BUILDING SIZE FACTOR**

The Building Size Factor is a measure of a parcel's proportionate contribution to the intensity of use of the public right-of-way. The land use classification for each parcel within the District boundary has been identified and distinguished as follows:

Building square footage is divided into seven classifications based on District land use:

- A. Commercial/Retail
- B. Office
- C. Industrial/Manufacturing/wholesale
- D. Public institutional (schools, library, firehouse, etc.)
- E. Religious institutional (building square footage exempted in this plan for owner-occupied churches, halls, administration assessed for frontage and lot size only)
- F. Multi-unit residential (building square footage exempted in this plan -assessed for frontage and lot size only)
- G. Single Family homes (building square footage exempted in this plan assessed for frontage and lot size only)

This factor has been weighted to provide a "target component" of 50% of District-wide special project costs and 100% of District-wide administration costs.

## ANNUAL COST INDEXING

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 2004, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of additional Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval. The maximum authorized assessment rates established in the Fiscal Year 2004



000306 PAGE 15

proceedings are indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2005-06 is the first year authorized for such indexing.

The annual SDCPI-U change for 2007 was 2.28%. Therefore, the maximum authorized assessment for College Heights for fiscal year 2008-09 are shown in the Table below. The proposed assessment rates for fiscal year 2008-09 are the same as the assessment rates for fiscal year 2006-07 and are less than the maximum authorized rates for fiscal year 2008-098.

Figure 5 - Maximum Assessment Rates

			Maxi	mum Rates			
		Zone 1				Zone 2	
	CPI Change	\$/LSF }	\$/LFF	\$/BSF	\$/LSF	\$/LFF	\$/BSF
FY 04-05		0.02917800	3.53923500	0.02949480	0.02663100	2.00998200	0.02949480
FY 05-06	3.65%	0.03024300	3.66841708	0.03057136	0.02760303	2.08334634	0.03057130
FY 06-07	3.66%	0.03134989	3.80268114	0.03169027	0.02861330	2.15959682	0.0316902
FY 07-08	3.40%	0.03241579	3.93197230	0.03276774	0.02958615	2.23302311	0.0327677
FY 08-09	2.28%	0.03315487	4.02162127	0.03351485	0.03026072	2.28393604	0.0335148

WHEREAS, the City of San Diego, County of San Diego, California, pursuant to the provisions of the Ordinance, the Act and the Article directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Ordinance, Act and Article, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto by the College Heights Maintenance Assessment District for the fiscal year 2008-09 is \$731,594.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said College Heights Maintenance Assessment District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are subject to an annual adjustment tied to the annual change in the SDCPI-U for the proceeding year. The maximum authorized assessment rate is defined as the initial fiscal year 2004-05 assessment rate increased by the annual change in the SDCPI-U. In the event that the assessments are levied at a rate below the maximum authorized assessment rate, the assessments can be increased in future years up to the maximum authorized assessment rate without any additional assessment ballot proceeding.



000308

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Diego for the fiscal year 2008-09. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Rolls, the amount of the assessment for the fiscal year 2008-09 for each parcel or lot of land within the said College Heights Maintenance Assessment District.

Dated:				
٠	Engineer of Work			
	,	Ву	John W. Bliss, License No. C052091	

# CERTIFICATES

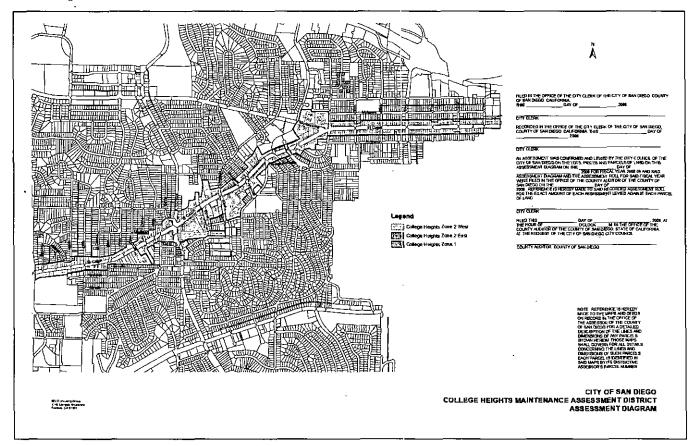
1.	hereby certify that this Engineer's Rep	the enclosed Engineer's Report and does ort, and the Assessment and Assessmen by me in accordance with the order of the
		Engineer of Work, License No. C052091
2.		San Diego, County of San Diego, California eer's Report, together with the Assessmen ned, was filed and recorded with me on , 2008.
	•	Clerk of the City Council
3.	hereby certify that the Assessment in	San Diego, County of San Diego, California this Engineer's Report was approved and , 2008, by Resolution
		Clerk of the City Council
4.	California, hereby certify that a copy of	City of San Diego, County of San Diego, the Assessment and Assessment Diagram litor of the County of San Diego, California,, 2008.
		Clerk of the City Council
	•	

## APPEALS AND INTERPRETATIONS

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Engineer of Work for the PBID or MAD assessments (the "Assessment Engineer"). Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Assessment Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Assessment Engineer or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the City of San Diego or its designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner, who disagrees with the decision of the Assessment Engineer or her or his designee, may refer their appeal to the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") or his or her designee and the decision of the Project Manager shall be final.

The boundaries of the College Heights Maintenance Assessment District are displayed on the following Assessment Diagram.

Figure 6 - Assessment Diagram



000312

## **APPENDICES**

## APPENDIX A - ASSESSMENT ROLL, FY 2008-09

The Assessment Roll (a listing of all parcels assessed within the College Heights Maintenance Assessment District and the amount of the assessment) will be filed with the Project Manager and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

## END NOTES

<sup>&</sup>lt;sup>1</sup> As delineated in the original Fiscal Year 2004-05 Engineer's Report by Edward Henning & Associates, management staff shall be responsible for building ongoing relationships and communicating with property owners; representing the College Heights property owners in policy issues with the City, the Park and Recreation Department, San Diego Police Department, the School District, the Redevelopment Agency and other governmental bodies; supervising, overseeing and monitoring the delivery and quality of maintenance services; obtaining additional resources to improve the community by securing outside funds and writing grant proposals; coordinating communications for the district and its members including production and distribution of newsletters, bulletins, e-mails and faxes, etc.; and being responsible for overall financial oversight, accounting functions, tax issues, and general corporate issues.